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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FIRST COUNTRY PROGRAMME FOR THE REPUBLIC OF YEMEN*

Programme period	Actual resources programmed	$
1992-1996	Net IPF	39 636 000
	Estimated cost-sharing	-
	Total	39 636 000

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* On 22 May 1990, the Yemen Arab Republic and the People's Democratic Republic of Yemen merged to form a single sovereign State called the Republic of Yemen. Previous country programmes for the Yemen Arab Republic were issued under the symbols DP/CP/YEM/1-4; previous country programmes for the People's Democratic Republic of Yemen were issued under the symbols DP/CP/PDY/1-4.

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. The Republic of Yemen, formed on 22 May 1990, unifies the former Yemen Arab Republic and the People's Democratic Republic of Yemen, two least developed countries (LDCs) which faced similar developmental problems despite different socio-economic systems and administrative traditions. The Republic of Yemen has an estimated population of 12.3 million growing at the rate of 3.1 per cent per year. The population is 82 per cent rural. The country's average fertility rate of 8.4 live births per woman during her lifetime continues to rank among the highest in the world. Maternal and infant mortality rates are 1,000 per 100,000 and 131 per 1,000 respectively. Yemen has the world's sixth lowest nutritional level. Illiteracy is 67 per cent: 85.4 per cent of adult females and 46 per cent of adult males. Only 38 per cent of the population have access to health services, 30 per cent to safe water, 46 per cent to electricity and 18 per cent to a waste disposal system. Together, all these factors contribute to an average life expectancy of 46.3 years.

2. Yemen's economy is currently undergoing a sudden transition due mainly to two factors. First, unification has led to the need to rationalize and modernize two different LDC political and socio-economic systems and to merge them into one unified and integrated system. Second, the Persian Gulf crisis, which came only 10 weeks after the unification resulted in acute hardships affecting both the economy and the society.

3. Yemen's gross domestic product (GDP) grew from YR 61.4 billion in 1989 to YR 77.2 billion in 1990 in current prices. Estimated gross national product (GNP) per capita for 1990 was $538. The sudden influx of foreign exchange during and immediately after the Persian Gulf crisis as a result of one-time remittances of Yemeni migrants returning from countries in the region is expected to decline sharply in 1991 and 1992. The budget deficit, increased by the costs of unification (primarily due to salaries of public employees), is expected to reach approximately 16 per cent of GDP for 1991.

4. The Persian Gulf crisis and especially the return in 1990 of some 800,000 migrants from countries in the region has led to: (a) a drastic reduction, starting in 1991, in the yearly flow of foreign exchange remittances which had been exceeding $1.0 billion; (b) a sharp decrease of grant aid and government revenues; (c) increased demand for essential imports; (d) problems connected with reintegrating the returnees into the mainstream of the society, meeting additional demand for short-term food aid, shelter, medical services, water, sanitation, electricity and education; and (e) an exacerbation of the pre-crisis unemployment situation, which was estimated at 400,000 (10 per cent of the national work force) and is expected to rise to 1 million by 1993.

5. In 1990, agricultural production provided approximately 21 per cent of GDP and 60 per cent of employment, over 40 per cent of which was female. As many as 94 per cent of working women were employed in this sector. Although

agricultural production increased in 1990, the high population growth rate continued to widen the "food gap", with 70 per cent of food being imported.

6. Oil and gas reserves (presently estimated at 1.15 billion barrels and 5.5 billion cubic feet respectively) provide the Government with an important source of income. Oil exports constitute a major source of foreign exchange earnings amounting to 84 per cent of total exports and 20 per cent of balance-of-payments revenues. Prospects for new oil and gas discoveries are promising. The considerable but unexploited gas reserves would be sufficient to satisfy the domestic consumption of energy for several decades to come.

7. Other main sectors of the economy include Government services, 23.6 per cent of GDP in 1990; trade, 12.4 per cent; mining and quarrying, 9.1 per cent; manufacturing, 8.5 per cent; and transportation/communication, 7.8 per cent.

B. National development objectives and strategies

8. The Republic of Yemen is presently engaged in an intensive process of harmonizing the political, social and economic structures in both parts of the country. It is foreseen that the present 30-month post-unification transitional period, which ends in December 1992 and includes the one-year National Investment Programme, will be followed by a mid-term, three-year development plan (1993-1995) and a five-year development plan (1996-2000). The National Reform Programme adopted in 1991 seeks to enhance the standard of living of the population and to meet their growing needs by increased productivity and investment in selected productive and service sectors as well as in the social sector. It also seeks a more balanced government budget based, inter alia, on sound fiscal policy. Increased productivity and investment is sought in agriculture and fisheries, industry, oil exploration and exploitation and tourism. This is meant to be achieved through: (a) better management of the development process and national resources including such measures as sound socio-economic as well as population policy formulation and planning; (b) increased efficiency and accountability of the civil service; (c) promotion of a market-oriented economic environment; (d) development of human resources and social services; and (e) sustainable use of natural resources, especially water. The priorities and objectives mentioned above will be further developed and formulated during the National Economic Conference scheduled for 1992. In the short run, problems connected with reintegration of returnees, growing unemployment and inflation constitute the major concerns of the Government.

9. The 30-month transitional period was set for institutional merger and rationalization as well as for the formulation of new legislation. Some achievements in this area include a new investment law adopted in July 1991 and legislation for the establishment of the Free Zone Areas, especially in Aden. The Government is also making efforts in this period to upgrade its economic and demographic statistical database in order to form a sound platform for planning and to develop its evaluation and monitoring capacity.

The discussion on developmental strategy and policies has been continuing throughout this period and the intensive process of preparations for the round-table conference, scheduled for May 1992, which was launched jointly by the Government and UNDP constitutes an important part of this discussion.

10. The National Population Strategy was adopted by the Government in August 1991. This was followed by the National Population Conference in October 1991 which endorsed the Plan of Action. Both documents create an important reference framework for future developmental planning in Yemen by setting policies and targets in a number of interrelated areas covering maternal and child health, education, family planning, labour force, urbanization and other human development areas.

11. Similarly, the signing by the President of Yemen of both the Declaration and the Plan of Action of the World Summit for Children enlarges the parameters for future developmental planning in Yemen.

II. EXTERNAL COOPERATION

A. Role of external cooperation

12. External assistance, including grants and loans on concessional terms, has traditionally been provided to Yemen by countries in the region, as well as a number of industrialized countries and multilateral institutions. This assistance has been in the form of technical cooperation, capital assistance and commodity aid. The flow of assistance was not equal to that of the country's predecessor republics and its scope is difficult to predict at the present time; but the unified Republic, at least for the foreseeable future, will have to rely on its continuation in planning the development of the country.

B. Aid coordination arrangements

13. The Ministry of Planning and Development (MPD) is the coordinating institution and the official channel for all foreign development assistance. MPD initiates and chairs formal aid coordination meetings with major donors. Informally, the major bilateral and multilateral donors meet to discuss their programmes and exchange information in order to enhance coordination. The Government is fully informed about these meetings. Technical meetings at the sectoral and subsectoral level, which often are held following the informal donor discussions, are also attended by MPD and the line ministries concerned. The Government, with UNDP support, intends to further advance its dialogue with the donors by holding a round-table conference for Yemen.

14. The coordination mechanisms will be further developed during the period covered by the first country programme for the Republic of Yemen in order to strengthen the role of the Government as the effective focal point for aid coordination. This will be done by improving the database and flow of

information within MPD and between the MPD and other ministries, as well as bilateral and multilateral donors. Under the overall technical umbrella of the MPD, the Planning, Statistics and Follow-up Units (PSFU) will be established within government administration and business. A project implementation programme will be developed and will include a time schedule for the preparation of new plans, programmes and projects as well as for financial allocations. This plan will also serve as a basis for periodical monitoring, evaluation and review by the Government of aid utilization and the progress of projects implemented with the assistance of external cooperation.

15. In addition, the Government/UNDP Joint Steering Committee established in February 1991 will continue as a mechanism for management, follow-up and monitoring of UNDP-funded programmes and projects and, at the same time, will serve as additional support to the Government's efforts in the field of overall aid coordination.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

16. The fourth country programmes for both of the country's predecessor republics had similar programme priorities: enhancing national planning capabilities; supporting investments in transport and water; and, maximizing returns in the productive sectors. They had visible impact in the water and agriculture sector; directly and indirectly benefited women; helped environment protection; enhanced transfer of technology and know-how; and contributed to national capacity-building. Employment generation and direct support to national institutions as well as human resources development had beneficial impact which was in line with the national development plans of the former countries.

17. The mid-term reviews of both country programmes and the July 1990 UNDP Technical Review Mission highlighted the following characteristics of technical assistance provided by UNDP in the former republics: too many under-costed and inadequately designed, small-sized projects; over-reliance on long-term expatriate experts; general lack of national counterparts and counterpart budgets; and insufficient technical backstopping by the relevant specialized agencies of the United Nations system. Often, there was inadequate support and follow through from the Government which was needed for efficient implementation and sustainability. Both country programmes were project focused and unrelated to an overall national strategy.

18. Following the review meetings and especially in anticipation of new programming challenges connected with unification, both the Government and UNDP applied stringent management interventions in the final two years of the fourth country programmes which resulted in a reduction of borrowing from the fifth cycle IPF from the anticipated 40 per cent to less than 7 per cent. At the moment of unification, in May 1990, there were 74 projects in the combined country programme. By the end of the fourth cycle (20 months later), there

were 27 projects which would carry over their activities into the first year of the new country programme. Twenty-one of these projects will be completed by December 1992, while the remaining six will end in 1993. Most of the projects extended into 1992-1993 contain activities under one or more of the areas of concentration of the new country programme.

19. The developments of 1990 had a negative impact on the implementation of the fourth-cycle country programmes and on project delivery. Many international project staff were relocated for a period of two to three months, delaying the execution of specific project activities and thus affecting the timely achievement of project objectives.

B. Proposals for UNDP cooperation

1. Preparatory process

20. Preparation of the first country programme for the Republic of Yemen constituted a process involving identification of needs by the Government at the macroeconomic level as well as sectoral and intersectoral levels. It involved continuous consultations with UNDP and other donors. In this framework a UNDP high-level programming mission visited Yemen in September 1991 and assisted the Government in the final choice of the areas of concentration for UNDP technical cooperation during the fifth cycle. The UNDP Advisory Note reflected this joint understanding and was endorsed by the Government.

21. The Government's programming priorities have been formulated, inter alia, as a result of a series of workshops and conferences addressing Yemen's development needs and in some cases outlining national policies and priorities. Such forums included: the Human Resources Development Symposium held in June 1991; the Workshop on Earthquakes, and the Desertification Symposium held in December 1991 which defined relevant activities in specific areas of concentration. Others resulted in action plans with specific intersectoral strategies and targets such as the National Population Conference convened in October 1991. The UNDP Environment Management Guidelines workshop, held in September 1991, attended by government and United Nations system agencies staff resulted in the formulation of the first Environment Overview for Yemen.

22. Other activities contributing to the national planning exercise included: the mid-term reviews of the country programmes for the former republics in the spring of 1990; the UNDP technical review mission fielded in July 1990; the joint Government/UNDP management review of IPF resources and projects conducted in December 1990; the Management Development Programme (MDP) reconnaissance mission in July 1990; and the meetings between UNDP, the Joint Consultative Group on Policy (JCGP) agencies, the International Monetary Fund (IMF) and the World Bank which dealt with in-depth needs assessments and forward programming and were carried out during 1990-1991 with full consideration of General Assembly resolution 44/211. The round-table

conference process has already served and will continue to serve as the mechanism by which the Government's policies, plans, priorities and aid requirements, as well as investment targets, are formulated and adjusted.

2. Strategy for UNDP cooperation

23. During the period covered by the first country programme for the Republic of Yemen, UNDP cooperation will be concentrated on national capacity-building at the "upstream" level through assistance for development strategy and policy formulation as well as administrative reform. Implementation of adopted policies will be supported by cooperation in translating them into viable programmes and projects and also by well-targeted interventions which should result in more efficient realization of the objectives of such programmes and projects. Selected groups of institutions and sectors which are closely related to implementation of key policy decisions will be supported. All this will constitute the UNDP contribution to enhancing the Government's capacity to mobilize, coordinate and better manage Yemen's development resources including, importantly, externally provided assistance.

24. In this process, full use will be made, inter alia, of the round-table mechanism which will provide for continuous review and adjustment of government policies, strategies and development targets. By so doing, it will also serve as a forum for defining common programme areas for donor, including UNDP, participation and support. The Management Development Programme will support reform of administrative structures and procedures. Due attention will be given to proper timing of selected interventions in order to support the Government's absorptive and response capacity vis-à-vis the national planning and legislative process. The existing linkages between the areas of programmed assistance will be carefully maintained throughout the whole country programme period.

3. Proposed UNDP cooperation in selected areas of concentration

25. The UNDP Advisory Note proposed to use the fifth-cycle UNDP resources in four areas of concentration: (a) strategic planning, (b) management development, (c) human development and (d) natural resources management. Such concentration takes into consideration challenges in the area of improved governance posed by the unification process, reflects lessons learned during the fourth cycle and corresponds with the UNDP comparative advantage. Special policy considerations established by the Governing Council for the fifth cycle relate very closely to Yemen's own development priorities and objectives and will be integrated in activities undertaken in the framework of the four areas of concentration mentioned above.

(a) Strategic planning

National development strategy and resource mobilization

26. The Government has to sustain the viability of its economy as well as maintain acceptable economic growth rates and a reasonable level of well-being for the Yemeni people. To accomplish these goals Yemen has to strategically plan and efficiently use its limited financial resources. This should be matched by an equally necessary effective mobilization of further external assistance to meet increasing socio-economic development needs.

27. The Government also aims at acquiring the capacity to identify and review policy alternatives and select those that conform with its national development policies and priorities. Of equal importance is the need to identify means of becoming fully integrated into the world economy, enabling the country, through trade in goods and services, to generate long-term sustainable growth which is less dependent on aid and subsidies.

28. In the short run, therefore, the Government needs to address its most immediate priority concerns, largely through technical advice on translating its National Reform Programme into operational policies and strategies aimed at alleviating current pressing developmental constraints. The National Investment Programme also provides an important policy framework in this area of concentration. In the longer run, technical advice will be required which addresses "upstream" concerns of strategy, policy-making and policy support through more efficient macroeconomic instruments.

29. This subprogramme will contribute to strengthening the Government's capacity in the areas mentioned above by: (i) facilitating "internalization" within the society and the Government of the need to conceptualize the national developmental policies and strategies, based on Yemen's own perception and understanding of its internal conditions and international environment; and (ii) providing support for the Government's implementation of the National Reform Programme and National Investment Programme through technical cooperation aimed at introducing required new legislation, enhancing and developing the Government's capacity to fully and effectively manage macroeconomic instruments as well as to effectively utilize its financial resources. This will also include strengthening the Government's aid mobilization and coordination capacities.

30. UNDP support to strategic planning will have a strong impact on a very broad spectrum of development in the country, including especially such aspects of human development as the position of women in development, protection of the environment and poverty alleviation.

Improving statistical capacity

31. Due to the dire lack of reliable statistics in the country, UNDP cooperation with that of such other United Nations bodies and agencies as the Economic and Social Commission for Western Asia (ESCWA) and the United Nations

Population Fund (UNFPA) and with that of the bilateral donors will be used to support the Government in its effort to establish necessary human and technical capacities in order to ensure the development of a sound statistical base for strategy and policy formulation and for planning purposes. The Government's Central Statistics Organization (CSO) is responsible for consolidation, standardization and integration of statistics from various sources. CSO intends to broaden its database through censuses and specific surveys in the areas of labour, nutrition, households, maternal and child mortality rates, standards of living, etc. In addition it will support the technical secretariat of the National Population Council and the 1994 Housing Census.

32. The relevant subprogramme will strengthen the capacity of CSO and its regional branches to: (i) build up a country-wide, unified statistical system; and (ii) improve linkages both with statistical units in the country, including those in the private sector, and with those in other countries. Of special concern will be strengthening the statistical capacity of the Ministry of Justice and Civil Registration, and the Civil Registration Authority.

(b) Management development

33. In addition to many development management problems shared with other LDCs, Yemen faces unique challenges as it tries to rationalize two different systems and traditions of public administration. The setting of strategic planning is subject both to political transformation and to institutional reconstruction. In a relatively short time, Yemen must combine existing ministries, streamline public sector entities and create an encouraging environment for responsible private initiatives. The reform should also help improve efficiency of the existing administration and upgrade its manpower base. Therefore, major issues related to the improved performance of the development management include: (i) the process of adopting new legislation; (ii) the decentralization of the functions of the large civil service; and (iii) the simplification of complex procurement, financial, release, and customs procedures, all of which form barriers to maximum utilization of domestic and external development resources.

34. UNDP cooperation with the Government in this area will be guided by the National Reform Programme. It will use the services of the Management Development Programme which has already financed the reconnaissance and project formulation activities. The Government's capacity to implement projects will be enhanced by, inter alia, technical cooperation and management services modalities in key ministries and sectors benefiting from the IMF and World Bank assistance.

Administrative reforms and procedures

35. This subprogramme is directed at supporting the Government's reform efforts through adoption of new legislation aimed at rationalizing administrative and institutional structures including the organizational

structures of various ministries. It will assist in the formulation of a long-term plan of management development and administrative reform.

36. Enhancement of the effectiveness and efficiency of government operations will be supported by a streamlining and rationalization of administrative procedures. Improvement of personnel, finance, planning and management systems in key ministries and sectors is also envisaged as part of this effort which should bring new skills and create systems ensuring cost-effective, performance-based management of present and future development resources.

37. In collaboration with other donors, assistance will be given to the decentralization process by strengthening country-wide coordination and assisting institutions at the governorate and district levels. Particular attention will be given to mobilization and participation of local communities, including women and families, in the planning, financing, implementation, monitoring and management of local development efforts. The role of indigenous non-governmental organizations (NGOs) in mobilizing people and development resources will be encouraged wherever possible.

Training for management development

38. Training will constitute an important element in supporting management development. Special emphasis will be put on leadership training of top, middle and lower management in the various relevant institutional structures and will promote the creation of opportunities for women. In-service training programmes will be introduced to improve technical and logistical functions of government institutions. Selective support to national education and training institutes will also be provided in order to enable them to assume a stronger management training role.

(c) Human development

39. Despite considerable progress achieved in advancing human development in only a single generation of the modern era, Yemen continues to be confronted with diverse and serious problems of human deprivation. Major constraints in the whole social sector, but especially in health services, include lack of decentralized administrative and delivery systems, lack of trained personnel, inadequate physical facilities and a need to foster social awareness on issues of sanitation, family planning, environmental health and the like. Inadequacies of the social services system are further compounded by the weakness of self-sustaining schemes and private and community-supported programmes.

40. In the education sector, major constraints include: limited financial resources which tend to result in giving preference to growth over quality; inadequate management and supervision; and insufficient teacher training, curricula and physical facilities. Low levels of school enrolment and a limited national vocational training capacity contribute to an imbalance between labour demand and supply, resulting in rising rates of unemployment.

41. Together with UNFPA, the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), the United Nations Development Fund for Women (UNIFEM) and the World Food Programme (WFP) and other bilateral and multilateral donors, UNDP cooperation will help to support the Government in translating national strategies and objectives in the social sector into operational programmes. Special efforts will be undertaken to integrate human development considerations in all Yemen's socio-economic programmes and projects. Subprogrammes in this area of concentration will be particularly directed at the rural segment of the society, including Sokotra Island. They will also: highlight poverty alleviation as their primary concern; assist women in becoming both partners and beneficiaries of the development process; and promote decentralization and sustainability of social services.

Health

42. In the health sector, the subprogramme will contribute to the achievement in Yemen of the following goals set for the year 2000 as defined in the National Population Action Plan: (a) reducing the maternal mortality rate by 50 per cent; (b) reducing the infant mortality rate to 60 per thousand; (c) increasing the coverage of primary health to 90 per cent of the population; (d) achieving a life-expectancy rate of 60 years; (e) reducing the annual population growth rate to 2 per cent; and (f) reducing the fertility rate from 8.4 to 6 live births per woman. It will focus on: (i) support to the implementation of relevant government programmes by introducing new methods of financing, budgeting and statistical processing; (ii) improvement of the effectiveness of central, governorate and local management structures dealing with population, public health and safe motherhood; and (iii) assistance to training programmes for health personnel and extension workers, particularly in the rural areas.

Education

43. In education, nationally defined goals and objectives include: (a) reduction in illiteracy to less than 50 per cent among females and less than 30 per cent among males; (b) expansion of primary education to more than 85 per cent of school-age children by the year 2000; and (c) the improvement of educational standards at all levels. In this context, the subprogramme will focus on: (i) development of a unified educational system based on sound projections of its training, staffing and financial needs; and (ii) assistance to the existing vocational training institutions and to designing vocational training programmes. The involvement of the private sector in vocational training, both formal and informal, will also be addressed.

Employment

44. The relevant subprogramme will concentrate its technical cooperation activities on: (i) strengthening the capacity of the Government to analyse labour market requirements and undertake manpower planning on the basis of sectoral demands; (ii) generating self-employment through small, income-producing projects supported by small credit schemes; (iii) advising on

policies conducive to higher levels of private investment; (iv) strengthening support of the state, parastatal and employers' organizations to potential small entrepreneurs and the self-employed; and (v) income generation for rural women which will include activities aimed at surveying, evaluating and developing existing women's productive projects and assisting in the expansion of the capacities of existing vocational training centres to provide self-employment training for women.

(d) Natural resources management

45. The rate of Yemen's future economic growth and development will depend largely on the effective development and management of its natural resources. The Government intends to focus on three critical areas: protection of the environment; water resources management; and mineral resources management. The ultimate objective remains the efficient management and utilization of limited natural resources through a comprehensive planning framework which will reinforce linkages with all appropriate sectors and will complement the overall national socio-economic planning framework.

Environment and development

46. Desertification, marine pollution, threats to the country's unique biological and genetic diversity and inadequate waste disposal and sewage systems constitute very serious environmental concerns in Yemen. Additionally, the location of Yemen on intercontinental seismic lines as well as its climate and topography make the country particularly vulnerable to earthquakes and floods.

47. Yemen is in the process of developing comprehensive national environmental legislation, strategies, policies and standards as integral parts of the national Plan of Action. The Environment Protection Council (EPC) is still at an early stage of consolidation. Horizontal interaction among government agencies needs improvement. The environmental database requires expansion and consolidation. Environmental education and awareness activities, as well as scientific research capacities, require adequate financial support, strategic planning and programming. Effective public participation in environmental protection has to be promoted. Rational and effective allocation of limited human resources is needed.

48. The objectives of this subprogramme are to: (i) support government efforts in planning sustainable development in a way which balances economic growth and environmental requirements; (ii) strengthen the human, institutional, technical and scientific capacities of Yemen in order to protect the environment; and (iii) establish within both the society and the Government structures, mechanisms and capacities for natural disaster and emergency preparedness, mitigation and management. NGO support, participatory development and public awareness of environmental issues will be promoted in the implementation of this subprogramme through relevant information, education and communications activities.

Water resources management

49. Yemen is on the verge of an acute crisis due to a severe shortage of water. The protection and conservation of water resources and their equitable allocation in order to satisfy the needs of the people are among the main priorities of the Government. The immediate task is to: (i) consolidate the existing legislation and regulations; (ii) build national institutions dealing with water development and management; (iii) develop appropriate skills, (iv) improve water conservation; (v) draft and adopt long-term plans for rehabilitation; and (vi) continue the search for new resources. Although much has already been done to address these needs, with substantial support from UNDP and other external sources, additional assistance is still required. The Government relies on the continuation of this cooperation. The UNDP subprogramme in this sector is expected, specifically, to support efforts aimed at establishing proper strategies, policies and targets for water development and management. Further technical assistance financed by UNDP will follow these fundamental policy decisions and legislation.

Mineral resources management

50. Substantial exploration has been carried out over the past 30 years in Yemen and many mineral resources have been identified, some of them with commercial value. These include white marble, feldspath, silica sand, limestone, salt, granite, bentonite and gypsum. Occurrences of talc, kyanite, zeolites, kaolin, barite, celestite and fluorite have also been recorded. Unfortunately, few have been put into production. A comprehensive, detailed and market-oriented mineral resources inventory for the entire country is urgently needed to provide the foundation for a comprehensive development strategy and plan for this sector.

51. Within this subprogramme, the Government will use UNDP support in establishing and operating a resource centre and a marketing organization dealing with the industrial minerals and construction materials. There will be emphasis on environmentally friendly domestic and foreign private sector involvement.

C. Assistance outside the main country programme areas

52. Every effort will be made to allocate IPF resources only to projects falling under the four areas of concentration outlined above; their vital importance and scope of required support create more than sufficient demand for the technical cooperation provided through UNDP financing. The country programme will serve as a framework which the Government can use to strengthen not only its coordination, but also its mobilization of external resources. In cases where the Government wishes to see UNDP involvement in providing technical assistance to the country in areas outside main country programme areas of concentration, or in cases where the required assistance follows the country programme but cannot be covered fully by IPF resources, the Government will undertake to mobilize additional funds through, inter alia, co-financing and third-party cost-sharing. UNDP will assist in this important activity.

D. Implementation and management arrangements

53. The areas of concentration in the country programme will serve government goals and programmes in various development sectors. UNDP will help to design, articulate, internalize and even, when necessary, negotiate the reformulation of future national programmes, assisting the Government to move towards a programme approach to the country's development. At different levels, UNDP resources will be used selectively to finance certain components of the national programmes and will support efforts to attract development assistance from other donors. To facilitate a gradual shift towards national execution, the technical support facility for national execution will be utilized.

54. The various bodies and agencies of the United Nations system have already contributed significantly to national plan strategies through support to and participation in fourth-cycle activities, national conferences, symposia, workshops and the like. These organizations will also be involved in the implementation of the country programme through sectoral and multisectoral technical advice at all stages of the programme cycle. They will also continue to provide support to the execution of projects. The Management Development Programme (MDP) will play an important role in linking government reform strategies to the design of national programmes. The United Nations International Short-Term Advisory Resources (UNISTAR) and the Transfer of Knowledge Through Expatriate Nationals (TOKTEN) are two other important modalities for technical cooperation during the fifth cycle. The roles of NGOs and technical cooperation among developing countries (TCDC) will be promoted further and are expected to increase. Specialists from the United Nations Volunteers programme (UNV) have proved to be a cost-effective source of expertise and technical support in a wide range of disciplines and will continue to occupy a prominent place among the modalities of choice for the implementation of the country programme.

55. The effective management of the UNDP programme of cooperation will be ensured through the continuous monitoring by and supervision of the Government/UNDP Joint Steering Committee. A mid-term review of the programme is scheduled for 1994. Benchmarks and appropriate indicators will be integrated within programmes and projects to enable continuous assessment of their impact and contribution to achieving national developmental goals.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Carry-over from fourth-cycle IPF	(2 954)	
Fifth-cycle IPF	42 590	
Subtotal IPF		39 636
Project cost-sharing (Government)	-	
Project cost-sharing (third-party)	-	
Project cost-sharing	-	
Subtotal cost-sharing		-
TOTAL		39 636

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Areas of concentration	IPF	Cost-sharing	Total resources	Percentage of total
Strategic planning	7 927	-	7 927	20
Management development	7 927	-	7 927	20
Human development	7 927	-	7 927	20
Natural resources management	11 891	-	11 891	30
Subtotal	35 672			
Unprogrammed reserve	3 964		3 964	10
TOTAL	39 636		39 636	100

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III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

	Thousands of dollars	
A. UNDP - administered funds		
SPR	1 500	
Subtotal		1 500
B. Other United Nations resources		
Other United Nations agencies (non-UNDP financed)	1 500	
Global Environment Facility	2 500	
Subtotal		4 000
Total non-core and other United Nations resources		5 500
c. Non-United Nations resources	-	-
TOTAL		5 500

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. STRATEGY PLANNING			*			
National development strategy and resource mobilization			*		*	
Improving capacity				*	*	
II. MANAGEMENT DEVELOPMENT			*	*	*	*
Reform and procedure			*	*	*	*
Training for management development			*	*	*	*
III. HUMAN DEVELOPMENT	*	*	*	*	*	*
Education/health	*			*	*	*
Vocational training/employment	*		*	*	*	*
Rural women		*		*	*	*
IV. NATURAL RESOURCE MANAGEMENT	*	*	*	*	*	*
Environment and development	*	*	*	*	*	*
Water resources management		*	*	*	*	*
Mineral resource management			*	*	*	*

a/ Asterisks indicate major linkage only.

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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIRST COUNTRY PROGRAMME FOR THE REPUBLIC OF YEMEN*

Note by the Administrator

I. PREPARATORY PROCESS

1. The preparatory process of the first country programme for the Republic of Yemen coincided with an extremely challenging period in the modern history of this country. The unification of the former Yemen Arab Republic and the People's Democratic Republic of Yemen on 22 May 1990, as well as the adoption of the political and socio-economic principles for the unified country establishing political pluralism, a market economy and freedom of the press, created significant possibilities for human development in Yemen. In order to address the needs of this transformation, Yemen has concentrated on better management of its development, conducted intensive policy debate and actively sought international advice and assistance.

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* On 22 May 1990, the Yemen Arab Republic and the People's Democratic Republic of Yemen merged to form a single sovereign State called the Republic of Yemen. Previous notes on the country programmes for the Yemen Arab Republic were issued under the symbols DP/CP/YEM/NOTE/1-4; previous notes on the country programmes for the People's Democratic Republic of Yemen were issued under the symbols DP/CP/PDY/NOTE/1-4.

2. After unification, the task for UNDP became to define the most appropriate entry level and entry points for its cooperation. The challenging situation offered an opportunity of moving UNDP planned cooperation "upstream", towards the level of strategy and policy formulation, administrative and procedural reform, preparation of country-wide development programmes, facilitation of Yemen's policy discussions with the donors and aid coordination. Since May 1990, various sectoral interventions assisted the Government in formulating its development objectives, priorities and guiding principles for the future national development plan; at the same time, UNDP, supporting some of these interventions, relied on those emerging objectives and priorities for the purpose of country programming. This mutually reinforcing process will continue and the adoption of the open, programme-oriented approach to country programming in Yemen constitutes an adequate and flexible framework for mapping out future UNDP activities in the country.

3. The first country programme for the Republic of Yemen is the result of close cooperation between the Government and UNDP. The main forum for discussions with the Government with respect to the content of the programme was the Joint Steering Committee established at the beginning of 1991, and comprising the Ministry of Planning and Development and UNDP. The UNDP high-level programming mission fielded in September 1991, and the preparation, presentation and endorsement by the Government of the UNDP advisory note, provided the programming exercise with the necessary focus. Other United Nations bodies and agencies present in Yemen, the World Bank, as well as bilateral donors were engaged with UNDP in a series of formal and informal discussions of Yemen's needs as well as goals and modalities for external assistance. In addition, UNDP engaged in programme reviews and strategy development with the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the United Nations Capital Development Fund (UNCDF) and the United Nations Development Fund for Women (UNIFEM).

4. Furthermore, the Government and UNDP benefited in the country programming process from impact studies conducted by the World Bank and various United Nations bodies and agencies after the Persian Gulf crisis. The programming exercise also took into account the conclusions and recommendations of the National Population Conference, the Human Resources Development Symposium, the National Conference on Sustainable Development, the National Conference on Disaster Mitigation, and the National Conference and Workshops on water, all of which were conducted in 1991. Macro-economy, social development, nutrition, human settlements, environment, water, agriculture, energy, industry, mineral resources and civil aviation were subjects of recent studies, overviews and evaluations conducted by the Government, United Nations bodies and agencies, the World Bank and bilateral donors. Preparations for the round-table conference and the Management Development Programme missions also contributed to the whole process.

II. ANALYTICAL COMMENTARY ON THE COUNTRY PROGRAMME

5. The first country programme for Yemen adopted four areas of concentration:

(a) Strategic planning will be pursued by the Government with the overall aim of sustaining the viability and acceptable growth rates of the economy; assuring reasonable level of well-being for the population; integrating Yemen into the world economy and gradually making it less dependent on aid and subsidies; and mobilizing resources, including external aid;

(b) Management development will be pursued by the Government in realization of the need to efficiently use Yemen's limited resources and to avail itself of the opportunity of merging the administrative structures of the country's two predecessor republics in order to streamline administration and procedures thus helping to eliminate public and private waste in development efforts at all levels;

(c) Human development is placed very high on the Government's list of priorities in view of the existence in Yemen of seriously disadvantaged population groups, especially in rural areas, and generally low social indicators in the country; and

(d) Natural resources management which is considered by the Government as the key to future development, especially in view of the extent of environmental degradation, the water crisis and general underdevelopment of mineral resources.

6. As mentioned above, the most important strategic decision in this programme is to go very much "upstream" in the national capacity-building effort. In a sense this programme is mainly about national development strategies and policies, administrative structures and procedures, and high-level policy dialogues between Yemen and the outside world. It is tying UNDP to the Government's effort to create higher quality in the management of development in Yemen.

7. The most upstream activities will include, inter alia, the round-table conference scheduled for May 1992 and the follow-up process which will enhance the process of preparing the national development plan. The Management Development Programme will aim at improved governance through creating a large pool of advice concerning administrative reform in the country which will affect both administrative structures and procedures.

8. Support to the implementation of the adopted policies will constitute the next important point of UNDP intervention. It will be conducted in selected areas through: (i) cooperation in translating these policies into viable programmes and projects; (ii) technical cooperation and direct support with respect to their implementation; (iii) streamlining various structures and procedures as a result of Management Development Programme activities;

(iv) cooperation in the mobilization of additional aid; (v) support to external aid coordination; and (vi) making available data to support policy choices and to enhance the capacity to implement, monitor and evaluate programmes and projects.

9. A small selected group of institutions and sectors will also be assisted. These will include: the Central Statistics Organization and the national statistical network; national management training institutions; vocational training schools; local units of decentralized administration; employment and income generation; and the private sector through the promotion of a legal, economic and administrative environment conducive to enhanced private investment.

10. The timing of selected interventions foreseen in the country programme remains crucial for the whole operation. They will be arranged in such a way as to support the absorptive and response capacity of the Government vis-à-vis the national planning process throughout 1992. This approach will be maintained also in the post-transitional period starting in 1993 when the various policy and reform targets should be coming through the legislative and parliamentary process.

11. Large areas of programmed cooperation are presently interlinked. At the same time, the round-table Conference process and the national development planning process will further develop the content of subprogrammes formulated under the present four areas of concentration in the country programme. Full attention will be given to maintaining and even strengthening such linkages between: strategic planning and human development; management development and administrative and economic efficiency; better management of national resources and improved external assistance mobilization; and rational population planning and water management and the elimination of constraints to strategic development planning.

III. MANAGEMENT OF PROGRAMME IMPLEMENTATION

12. In the management of the first country programme for Yemen full consideration will be given to lessons learned during the previous cycle, namely: that the Government and UNDP must not overload the capacity of either partner; that the preconditions for successful interventions are identified and agreed between the Government and UNDP beforehand; and that UNDP resources are concentrated on specific opportunities where a comparative advantage assures sustainable impact.

13. UNDP will aim at the formulation and implementation of cooperative efforts and, where applicable, at the mobilization of resources with full participation of the beneficiaries. In many areas, this will involve work at the community level with the full participation of women and families. The private sector and non-governmental organizations (NGOs) will also be involved in implementation. National execution will be promoted gradually within the larger objective of enhanced national management of development.

14. The existing mechanisms established between the Government and UNDP for policy and project formulation and programme monitoring and evaluation, as well as between the Government, UNDP and other donors for aid coordination, are considered adequate and will be continued. Similarly, the very effective cooperation which was established with the World Bank and various United Nations system bodies and agencies during the policy review and strategy development phase will be maintained at the programme and project implementation stage.

IV. RECOMMENDATION

15. The first country programme for the Republic of Yemen addresses a unique set of priorities and development opportunities created by the unification of two least developed countries (LDCs). The country programme will assist in the nation-building process at a relatively early stage and thus has the opportunity to cooperate in support of this process through sustainable and fully integrated development. It also gives UNDP the opportunity to associate itself with the Government in the effort to facilitate the unification process. The country programme thus remains fully in line with Yemen's national objectives and development priorities.

16. The Administrator recommends that the Governing Council approve the first country programme for the Republic of Yemen.